

GST BULLETIN

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Delhi, Pune, Bangalore

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1. Ready-Made Bakery Products Taxable as Goods; Freshly Prepared Pizzas Qualify as Restaurant Services.

Case of : Cremeux Bakeries Private Limited

Decision by : Goa Advance Ruling

Date of Ruling : 30th May 2026

Facts:

- M/s Cremeux Bakeries Private Limited is engaged in the manufacture and sale of bakery and food products. The company manufactures various bakery items such as cakes, pastries, sandwiches, savouries, biscuits, slice cakes, bread, rusk, and other products at its factory located at Corlim, Goa. These products are subsequently supplied to its bakery outlets for sale to customers.
- Apart from selling ready-made bakery products, the applicant also supplies semi-finished products such as pizza bases and toppings from its factory to the outlets, where final preparation and assembly of pizzas are carried out upon receipt of customer orders.
- The applicant sought an Advance Ruling to determine whether:
 - Sale of ready-made bakery products from its outlets constitutes a supply of goods or restaurant service under GST.
 - Preparation and sale of semi-finished products such as pizzas at the outlets qualify as restaurant service.
 - Both activities can be carried out from the same place of business under GST law.

Issue:

- The primary issues before the Authority for Advance Ruling (AAR) were:
 - Whether the sale of bakery products that are completely manufactured at the factory and sold through outlets without any further processing constitutes a supply of goods or restaurant service under GST.
 - Whether the preparation and sale of semi-finished products such as pizzas, where ingredients are supplied from the factory and assembled/prepared at the outlet upon customer order, qualify as restaurant service.
 - Whether a registered person can simultaneously undertake the supply of goods and restaurant services from the same business premises and the related compliance requirements.

AAR Observation & Ruling

A. Sale of Ready-Made Bakery Products

- Bakery products such as cakes, pastries, sandwiches, savouries, biscuits, bread, rusk, slice cakes, and similar items are fully manufactured at the factory.
- These products are merely sold from the outlets without any cooking, preparation, processing, or service element. Accordingly, such transactions constitute a supply of goods under GST.
- The AAR relied upon Para 4.2 of Circular No. 164/20/2021-GST dated 06.10.2021 and held that the principle applies equally to bakery products and other pre-manufactured goods supplied without any service component.

B. Preparation and Sale of Pizzas

- Pizza bases and toppings are supplied from the factory in semi-finished form. The final blending, assembly, and preparation take place at the outlet based on customer orders.
- Such activity involves preparation of food for consumption and therefore qualifies as restaurant service.
- The nature of supply remains restaurant service irrespective of whether the customer consumes the food at the premises or takes it away.

C. Simultaneous Supply of Goods and Restaurant Service

- GST law does not prohibit a taxpayer from supplying goods and restaurant services from the same place of business. However, the taxpayer must maintain clear segregation between turnover relating to:
 - Supply of goods; and
 - Restaurant services.

D. Compliance Requirements

- Separate records of turnover should be maintained for both categories of supplies. Separate series of tax invoices should preferably be issued for clarity and compliance.
- The taxpayer must ensure proper compliance with GST provisions, including Input Tax Credit (ITC) restrictions and reversals wherever applicable.
- The responsibility of maintaining clarity and proper accounting records rests entirely on the taxpayer.

Full Judgement: [Cremeux Bakeries Private Limited](#)

SNR's Take



The ruling provides an important distinction between the mere sale of pre-manufactured food products and the supply of restaurant services under GST. Where goods are manufactured elsewhere and sold as such without further processing, the transaction is treated as a supply of goods. Conversely, where food is prepared or assembled at the outlet based on customer orders, the activity assumes the character of restaurant service. The ruling also clarifies that a taxpayer can undertake both activities from the same premises, provided proper segregation of turnover, invoicing, and accounting records is maintained. This decision serves as a useful guide for bakeries, cafés, food chains, and similar businesses.

2. Education Consultants Providing Services to Overseas Universities Entitled to Export Benefits.

Case of : Fateh Education Consulting Private Limited

Decision by : Delhi High Court

Date of Ruling : 08th May 2026

Facts:

- Assessee entered into agreements with various foreign universities to provide education consultancy, marketing, and student recruitment support services. The company assisted foreign universities in promoting their educational programs and identifying prospective students for admission.
- The services provided by the assessee incidentally facilitated student admissions to foreign universities. However:
 - The assessee did not charge any fees from students.
 - The assessee had no authority to bind the foreign universities.
 - The assessee did not guarantee admission to any student.
 - Consideration for the services was received solely from the foreign universities.
- The assessee treated these services as export of services and claimed a refund of accumulated GST.
- The refund application was rejected by the Assistant Commissioner on the ground that the services qualified as "intermediary services" under GST law, making the place of supply in India and rendering the services ineligible for export benefits.

Issue:

- Whether the education consultancy, marketing, and recruitment support services provided by the assessee to foreign universities constitute "intermediary services" under the GST law, or whether they qualify as "export of services", thereby entitling the assessee to a refund of accumulated GST.



Court Observation

- The Delhi High Court observed that the facts of the present case were materially similar to its earlier decisions in Global Opportunities Private Limited and K.C. Overseas Education Pvt. Ltd.
- The Court reiterated the three determinative factors for deciding whether a service qualifies as an intermediary service:
 - Nature of the service provided
 - Contractual recipient of the service
 - Person liable to pay consideration

Applying these tests, the Court held that:

- The assessee was providing education consultancy, marketing, and recruitment support services on its own account. The contractual recipient of the services was the foreign university and not the students.
- The consideration was paid exclusively by the foreign universities. The assessee neither represented the universities as an agent nor had authority to bind them.
- Merely facilitating or supporting the business objectives of foreign universities does not automatically make a service an intermediary service.
- Accordingly, the Court held that the services rendered by the assessee qualified as export of services and not intermediary services. The rejection order was set aside, and the Revenue was directed to process and grant the refund within two months.

Full Judgement: [Fateh Education Consulting Private Limited](#)



SNR's Take

·This judgment reinforces the settled legal position that a service provider does not become an intermediary merely because its activities facilitate the business of a foreign client. The substance of the contractual arrangement, the recipient of the service, and the flow of consideration are the key factors in determining the nature of the service. The decision provides significant relief and clarity to education consultants and similar service providers engaged with overseas clients by preventing an overly broad interpretation of the term "intermediary" under GST law.

3. Structural support for manufacturing Equipment qualifies for ITC: Gujarat AAR.

Case of : Apar Industries Limited

Decision by : Gujarat Advance Ruling

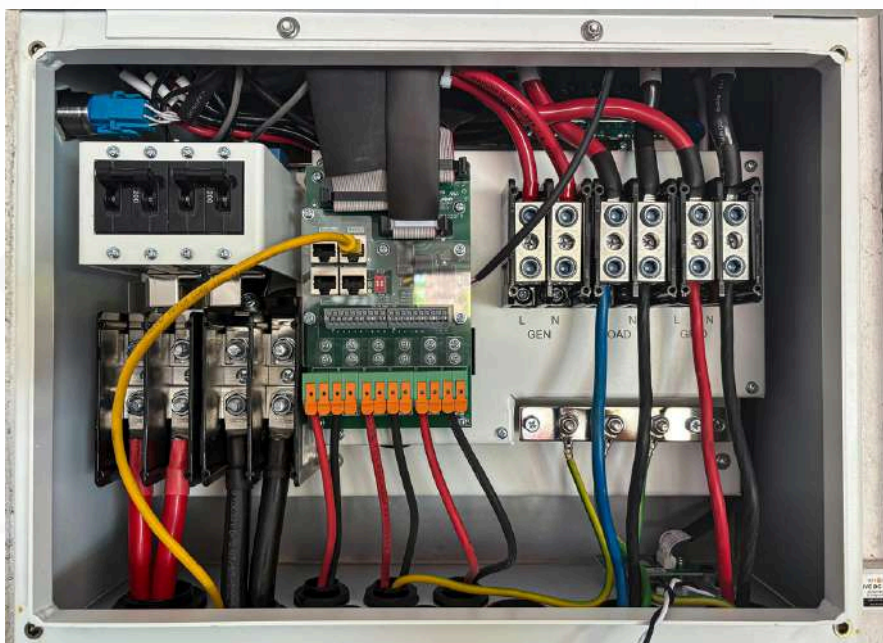
Date of Ruling : 08th May 2026

Facts:

- The applicant, is engaged in the manufacture of high-voltage Cross-linked Polyethylene (XLPE) insulated electrical cables.
- For manufacturing these cables, the applicant installed a Continuous Catenary Vulcanization (CCV) Tower, which forms an integral part of the CCV machine line used in the production process.
- The CCV Tower was constructed through a third-party EPC contractor and functions as a specialized structural support for the CCV line. The costs incurred for construction of the tower were capitalized in the books of accounts, excluding the GST component.
- The applicant sought an advance ruling on whether Input Tax Credit (ITC) on inputs and input services used for construction of the CCV Tower was admissible under GST law or blocked under Sections 17(5)(c) and 17(5)(d) of the CGST Act, 2017.

Issue:

- Whether ITC on inputs and input services used for construction of a specialized steel CCV Tower, which supports and erects the CCV manufacturing line for production of XLPE insulated electrical cables, is available under GST law or restricted under Sections 17(5)(c) and 17(5)(d) as construction of an immovable property.



AAR Observations & Ruling

- The Gujarat AAR observed that the CCV Tower is indispensable for the manufacturing process and serves as a structural support for the CCV machine line.
- The definition of “plant and machinery” under the CGST Act specifically includes foundation and structural supports of plant and machinery.
- The Authority accepted the applicant's contention that the CCV Tower qualifies as an apparatus and forms part of the plant and machinery used in manufacturing insulated electrical cables.
- Once the structure is recognized as a foundation or structural support of plant and machinery, ITC falls outside the restrictions prescribed under Sections 17(5)(c) and 17(5)(d), even when constructed on the taxpayer's own account.
- The AAR relied upon Circular No. 219/13/2024-GST, which clarified that ITC is available on ducts and manholes used for Optical Fibre Cables (OFCs), indicating that structural components directly connected with operational plant infrastructure should not be denied credit.
- The Authority also relied upon the ruling in KEI Industries Ltd, where ITC was allowed on inputs and input services used for construction of a concrete tower supporting Vertical Continuous Vulcanization (VCV) lines.
- Accordingly, the AAR held that ITC on inputs and input services used for construction of the specialized steel CCV Tower is admissible.

Full Judgement: [Apar Industries Limited](#)

SNR's Take



This ruling reinforces the principle that ITC should not be denied merely because a structure is immovable, where such structure functions as an integral part of the manufacturing plant. The Gujarat AAR has correctly focused on the functional test rather than the physical nature of the asset. The decision provides significant relief to manufacturers who install specialized structures essential for operating machinery and strengthens the position that foundations and structural supports directly connected to manufacturing equipment qualify for ITC.

4. Commercial Activities of Temples Subject to GST: Tamil Nadu AAR.

Case of : Chelliah Rangaraj

Decision by : Tamil Nadu AAR

Date of Judgement : 05th May 2026

Facts:

- The applicant sought an advance ruling on the GST implications of the amount collected by temple authorities from successful bidders who are granted permission/licence to collect human hair donated by devotees at Arulmigu Mariamman Temple.
- The temple authority, under the Hindu Religious and Charitable Endowments (HR&CE) Department, conducts a tender process and grants the right to collect devotees' hair to the highest bidder upon payment of licence fees.
- The applicant contended that since the temple is a place of worship and the activity is connected with religious practices, such collection should not be subject to GST.
- The applicant also sought clarification on whether the temple could be regarded as business premises for GST purposes.

Issue:

- Whether the licence fees collected by temple authorities from successful bidders for granting the right to collect human hair donated by devotees constitute a taxable supply of services under GST and, if so, the applicable rate of tax.



AAR Observations & Ruling

- The Tamil Nadu AAR held that the licence granted by the temple authority for collection of human hair is a supply of service under Section 7 of the CGST Act.
- The AAR distinguished between:
 - A temple functioning as a place of worship; and
 - A temple undertaking commercial activities.
- It observed that commercial activities carried out by places of worship are not automatically exempt from GST and referred to the proviso under Notification No. 12/2017-CT (Rate), which specifically taxes certain commercial activities such as renting of rooms, halls, shops, and other spaces.
- The AAR noted that the temple authority invites tenders, selects the highest bidder, grants a licence, and collects consideration, all of which are characteristics of a commercial transaction.
- It compared the activity to renting of premises and held that the temple is transferring a right for consideration rather than performing a religious function.
- The authority clarified that the exemption available in respect of human hair as goods is not relevant because the transaction under consideration is not the sale of hair but the grant of a licence to collect hair.
- Accordingly, the activity was classified under SAC 9997 and held taxable under Entry No. 35 of Notification No. 11/2017-CT (Rate) at 18% GST (9% CGST + 9% SGST).
- The AAR declined to answer the question regarding whether the temple constitutes business premises, holding that the issue falls outside the scope of matters specified under Section 97(2) of the CGST Act.

Full Judgement: [Chelliah Rangaraj](#)

SNR's Take



This ruling reiterates that GST liability depends on the nature of the transaction rather than the character of the entity carrying it out. While activities directly connected with religious worship may qualify for exemption, commercial transactions undertaken by religious institutions remain taxable unless specifically covered by an exemption. The AAR viewed the grant of rights to collect devotees' hair against consideration through a tender process as a distinct commercial activity liable to GST.

5. GST on preferential location charges to follow construction service GST rate.

Case of : DLF Limited

Decision by : Punjab & Haryana High Court

Date of Ruling : 13th May 2026

Facts:

- The petitioner, DLF Limited, collected Preferential Location Charges (PLC) from customers who opted for flats at preferred locations within a residential project (such as park-facing, corner, higher-floor, or other premium locations).
- DLF sought an advance ruling to determine whether PLC formed part of the composite supply of construction services or constituted a separate taxable supply under GST.
- The AAR and subsequently the AAAR held that PLC was not naturally bundled with construction services and therefore was liable to GST independently.
- DLF challenged the AAAR order before the Punjab & Haryana High Court.
- Before the High Court, DLF relied upon the recommendations of the GST Council and Circular No. 234/28/2024-GST, which clarified that charges collected for the choice of location of an apartment are an integral part of construction services and should be taxed at the same rate as the principal construction service before the issuance of the completion certificate.

Issue:

- Whether Preferential Location Charges (PLC) collected by a real estate developer from buyers for selecting a preferred location of a flat constitute:
 - A separate and independent taxable supply liable to GST separately; or
 - A part of the composite supply of construction services, taxable at the same rate applicable to the principal construction service.



Court Observation

- The Punjab & Haryana High Court noted that the Government had accepted the GST Council's recommendation and issued Circular No. 234/28/2024-GST, which specifically clarified the GST treatment of PLC.
- The Court observed that the choice of location of an apartment is intrinsically connected with the construction and sale of the apartment and is therefore naturally bundled with the principal construction service.
- Relying on Paragraph 8 of the Circular, the Court held that PLC collected by developers forms part of the composite supply of construction services and attracts GST at the same rate as the construction service before the issuance of the completion certificate.
- The Court further held that the Circular was clarificatory in nature, meaning it merely clarified the existing legal position and therefore had retrospective applicability.
- Since the AAR and AAAR rulings were contrary to the subsequent binding clarification issued by the Government, those orders could not be sustained.
- Accordingly, the Court quashed both the AAR and AAAR orders and granted consequential relief to the assessee.

Full Judgement: [DLF Limited](#)

SNR's Take



The High Court has reaffirmed the principle that where a service is naturally bundled and inseparable from the principal supply, it should not be artificially subjected to separate taxation. By recognizing PLC as an integral component of construction services and treating the Government's circular as retrospective and clarificatory, the Court has reduced potential litigation and ensured uniform GST treatment across the industry.

Introduction of Annexure-B Offline Utility for Refund Claims Involving Accumulated ITC

GSTN has introduced a standardized Annexure-B Offline Utility (Excel-based) for filing refund applications involving accumulated Input Tax Credit (ITC), effective from 18 May 2026. Taxpayers can no longer upload Annexure-B in PDF format for specified refund categories and must now furnish invoice-wise details through the prescribed utility.

Key Highlights

- Applicable for refund claims relating to:
 - Export of goods/services without payment of tax (including electricity)
 - Supplies to SEZ units/developers without payment of tax
 - Refund due to inverted duty structure
- Taxpayers are required to report inward supply invoices HSN/SAC-wise and classify them as Inputs, Input Services, or Capital Goods.
- Where an invoice contains multiple HSN/SAC codes or supply categories, it must be split into separate line items with proportionate allocation of taxable value and tax amount.
- The utility contains:
 - Table 1: ITC Reversal Details
 - Table 2: HSN/SAC-wise inward invoice details
- System validations have been introduced to prevent duplicate reporting based on GSTIN, invoice number, invoice date, supply category, and HSN/SAC.
- Uploaded invoice details will be validated with GSTR-2B data. Invoices pertaining to periods up to October 2024 will not undergo system validation but can still be included in refund claims.
- Taxpayers must upload the generated JSON file through Form RFD-01. Any modifications should be made in the utility itself and not directly in the JSON file.
- A maximum of 10,000 line items per utility file and 25 files per refund application can be uploaded, allowing up to 2.5 lakh line items in a single refund application.

Impact

The new utility aims to standardize refund filings, enable automated invoice verification, reduce manual scrutiny, and facilitate faster processing of refund claims. Taxpayers should ensure accurate HSN/SAC-wise reporting and proper disclosure of ITC reversals to avoid validation errors and delays in refund processing.

GSTN Proposes Key Enhancements to the E-Way Bill Portal

GSTN has issued an advisory introducing important enhancements to the E-Way Bill (EWB) system aimed at improving data integrity, traceability of goods movement, and operational efficiency.

As part of the proposed changes,

- the "Ship-To GSTIN" field will become mandatory in Bill-To/Ship-To transactions, with unregistered recipients required to be reported as "URP". This measure is intended to strengthen tracking and accuracy of transaction data.
- GSTN has introduced a voluntary E-Way Bill Closure facility, enabling suppliers, recipients, transporters, and authorized persons to close an EWB upon completion of delivery. Closure can be carried out either EWB-wise or date-wise and may also be executed through APIs by system-integrated users.

The facility can be used on the day of delivery or the immediately succeeding day, thereby facilitating timely closure of completed transactions and reducing the risk of misuse of active EWBs

GSTN has informed that the required API changes are already available in the sandbox environment, with deployment in the production environment scheduled by 15 June 2026.



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